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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

[A-570-868]

Folding Metal Tables and Chairs from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on folding metal tables and chairs from the People's Republic of China ("PRC"). The period of review ("POR") is June 1, 2010, through May 31, 2011. The 2010-2011 administrative review covers Feili Group (Fujian) Co., Ltd. and Feili Furniture Development Limited Quanzhou City (collectively, "Feili"). We have preliminarily determined that Feili made sales in the United States at prices below normal value ("NV") during the period of review ("POR"). If these preliminary results are adopted in our final results of the review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise during the POR.

We invite interested parties to comment on these preliminary results. We intend to issue the final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act").

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Lilit Astvatsatrian or Charles Riggle, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S.

Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6412 and (202) 482-0650, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 27, 2002, the Department published the antidumping duty order on folding metal tables and chairs from the PRC.¹ On June 1, 2010, the Department published a notice of opportunity to request an administrative review of this order for the period June 1, 2009, through May 31, 2010.² In accordance with 19 CFR 351.213(b), interested parties made the following requests for an administrative review: (1) on June 28, 2011, Meco Corporation (“Meco”), a domestic producer of the like product, requested that the Department conduct an administrative review of Feili and of New-Tec Integration (Xiamen) Co., Ltd. (New-Tec), a producer and exporter of subject merchandise to the United States; (2) on June 29, 2011, Feili requested that the Department conduct an administrative review of its sales; (3) on June 30, 2011, Cosco Home & Office Products (“Cosco”), a U.S. importer of subject merchandise, requested that the Department conduct an administrative review of Feili and New-Tec; and (4) on June 30, 2011, New-Tec requested that the Department revoke the antidumping duty order with respect to exports of subject merchandise manufactured and exported by New-Tec and defer the initiation of its review for the current POR. On July 28, 2011, the Department initiated the 2010-2011 review for Feili and deferred the review of New-Tec.³ On October 25, 2011, the Department

¹ See *Antidumping Duty Order: Folding Metal Tables and Chairs From the People’s Republic of China*, 67 FR 43277 (June 27, 2002).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 76 FR 31586 (June 1, 2011).

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews, Requests for Revocations in Part and Deferral of Administrative Reviews*, 76 FR 45227 (July 28, 2010) (“Initiation Notice”).

revoked the order with respect to New-Tec and subsequently corrected language in the original revocation.⁴

The Department issued an antidumping duty questionnaire to Feili on August 26, 2011. On September 16, 2011, Feili submitted a section A questionnaire response (“AQR”), and on October 17, 2011, submitted section C and D questionnaire responses (“CQR” and “DQR,” respectively). On December 2, 2011, and January 9, 2012, Feili submitted supplemental questionnaire responses (“SQR” and “SSQR,” respectively).

On September 30, 2011, the Department requested that Import Administration’s Office of Policy to provide a list of surrogate countries for the administrative review.⁵ On October 12, 2011, the Office of Policy issued its list of surrogate countries for the administrative review.⁶

On October 25, 2011, the Department requested interested parties to submit surrogate value (“SV”) information and to provide surrogate country selection comments for the administrative review. On November 8, 2011, Feili commented on surrogate country selection. On November 15, 2011, Cosco and Feili provided financial statements from India and Thailand to be used for the calculation of surrogate financial ratios. On December 28, 2011, the Department provided additional time to submit publicly available information to value the factors of production (“FOP”). On January 17, 2012, Cosco provided additional comments on FOPs.

⁴ See *Folding Metal Tables and Chairs from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review and New Shipper Review, and Revocation of the Order in Part*, 76 FR 66036 (October 25, 2011) and *Folding Metal Tables and Chairs From the People’s Republic of China: Notice of Correction to the Final Results of the 2009-2010 Antidumping Duty Administrative Review*, 76 FR 72903 (November 28, 2011).

⁵ See Memorandum to Carole Showers, Director, Office of Policy, entitled, “2010-2011 Administrative Review of the Antidumping Duty Order on Folding Metal Tables and Chairs from the People’s Republic of China: Request for Surrogate Country Selection,” dated September 30, 2011.

⁶ See Memorandum from Carole Showers, Director, Office of Policy, entitled, “Request for a List of Surrogate Countries for an Administrative Review of Folding Metal Tables and Chairs (“FMTC”) from the People’s Republic of China (PRC),” dated October 12, 2011 (“Surrogate Country Memorandum”).

In accordance with 19 CFR 351.301(c)(3)(ii), for the final results in an antidumping administrative review or new shipper review, interested parties may submit publicly available information to value FOPs within 20 days after the date of publication of these preliminary results of review.

Period of Review

The POR is June 1, 2010, through May 31, 2011.

Scope of Order

The products covered by the order consist of assembled and unassembled folding tables and folding chairs made primarily or exclusively from steel or other metal, as described below:

1) Assembled and unassembled folding tables made primarily or exclusively from steel or other metal (folding metal tables). Folding metal tables include square, round, rectangular, and any other shapes with legs affixed with rivets, welds, or any other type of fastener, and which are made most commonly, but not exclusively, with a hardboard top covered with vinyl or fabric. Folding metal tables have legs that mechanically fold independently of one another, and not as a set. The subject merchandise is commonly, but not exclusively, packed singly, in multiple packs of the same item, or in five piece sets consisting of four chairs and one table. Specifically excluded from the scope of the order regarding folding metal tables are the following:

Lawn furniture;

Trays commonly referred to as "TV trays;"

Side tables;

Child-sized tables;

Portable counter sets consisting of rectangular tables 36" high and matching stools; and, Banquet tables. A banquet table is a rectangular table with a plastic or laminated wood

table top approximately 28" to 36" wide by 48" to 96" long and with a set of folding legs at each end of the table. One set of legs is composed of two individual legs that are affixed together by one or more cross-braces using welds or fastening hardware. In contrast, folding metal tables have legs that mechanically fold independently of one another, and not as a set.

2) Assembled and unassembled folding chairs made primarily or exclusively from steel or other metal (folding metal chairs). Folding metal chairs include chairs with one or more cross-braces, regardless of shape or size, affixed to the front and/or rear legs with rivets, welds or any other type of fastener. Folding metal chairs include: those that are made solely of steel or other metal; those that have a back pad, a seat pad, or both a back pad and a seat pad; and those that have seats or backs made of plastic or other materials. The subject merchandise is commonly, but not exclusively, packed singly, in multiple packs of the same item, or in five piece sets consisting of four chairs and one table. Specifically excluded from the scope of the order regarding folding metal chairs are the following:

Folding metal chairs with a wooden back or seat, or both;

Lawn furniture;

Stools;

Chairs with arms; and

Child-sized chairs.

The subject merchandise is currently classifiable under subheadings 9401.71.0010, 9401.71.011, 9401.71.0030, 9401.71.0031, 9401.79.0045, 9401.79.0046, 9401.79.0050, 9403.20.0018, 9403.20.0015, 9403.20.0030, 9403.60.8040, 9403.70.8015, 9403.70.8020, and 9403.70.8031 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the

HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise is dispositive.

Non-Market Economy Country Status

No party contested the Department's treatment of the PRC as a non-market economy ("NME") country, and the Department has treated the PRC as an NME country in all past antidumping duty investigations and administrative reviews.⁷ Designation as an NME country remains in effect until it is revoked by the Department. *See* section 771(18)(C)(i) of the Act. As such, we continue to treat the PRC as a NME in this proceeding.

Surrogate Country

Section 773(c)(1) of the Act directs the Department to base NV on the NME producer's FOPs, valued in a surrogate market economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall use, to the extent possible, the prices or costs of the FOPs in one or more market economy countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise. The sources of the surrogate factor values are discussed under the "Normal Value" section below as well as in the Surrogate Value Memorandum.⁸

The Department determined that the Colombia, Indonesia, Philippines, South Africa, Thailand, and Ukraine are countries comparable to the PRC in terms of economic development.⁹

⁷ *See, e.g., Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 73 FR 52645 (September 10, 2008); *see also Folding Metal Tables and Chairs from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 74 FR 3560 (January 21, 2009).

⁸ *See* Memorandum to The File entitled, "Preliminary Results of the 2010-2011 Administrative Review of Folding Metal Tables and Chairs from the People's Republic of China: Surrogate Value Memorandum," dated concurrently with this notice ("Prelim SV Memo").

⁹ *See* Surrogate Country Memorandum. The Department notes that these six countries are part of a non-exhaustive list of countries that are at a level of economic development comparable to the PRC.

Once we have identified the countries that are economically comparable to the PRC, we select an appropriate surrogate country by determining whether an economically comparable country is a significant producer of comparable merchandise and whether the data for valuing FOPs are both available and reliable. Accordingly, unless we find that all of the countries determined to be equally economically comparable are not significant producers of comparable merchandise, do not provide a reliable source of publicly available surrogate data or are unsuitable for use for other reasons, we will rely on data from one of these countries.

The Department has determined that Thailand is the appropriate surrogate country for use in this review. The Department based its decision on the following facts: (1) Thailand is at a level of economic development comparable to that of the PRC; (2) Thailand is a significant producer of comparable merchandise (*i.e.*, steel furniture); and (3) Thailand provides the best opportunity to use quality, publicly available data to value the FOPs.¹⁰ Feili has argued that the Department should continue using India as the surrogate country as it has in the previous administrative reviews. Cosco stated that the Department should use Thailand but that it would not object if the Department used India as the surrogate country. Because Thailand satisfies the Department's criteria for the selection of a primary surrogate country, resort to an alternative surrogate country which is not as economically comparable to the PRC as the countries on the Surrogate Country List, as suggested by Feili, is not necessary. Furthermore, it satisfies the best data availability criterion as the record contains usable financial statements from Thailand¹¹ and sources for valuation of all factors of production. As we do not have financial statements and energy inputs on the record of this review from any other country on the list of economically

¹⁰ See Prelim SV Memo at Attachment II, and Cosco's January 17, 2012 surrogate value submission at 3.

¹¹ See financial statements of Siam Steel International PCL ("Siam"), for the fiscal year ending June 30, 2011.

comparable surrogate countries, we find that Thailand is the only country that satisfies the best data availability criterion for the surrogate country.

Separate Rates

In proceedings involving NME countries, the Department has a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assessed a single antidumping duty rate.¹² It is the Department's policy to assign all exporters of merchandise subject to review in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.¹³ Exporters can demonstrate this independence through the absence of both *de jure* and *de facto* government control over export activities. The Department analyzes each entity exporting the subject merchandise under a test arising from the *Notice of Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588, at Comment 1 (May 6, 1991) ("*Sparklers*"), as further developed in *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585, 22587 (May 2, 1994) ("*Silicon Carbide*"). However, if the Department determines that a company is wholly foreign-owned or located in a market economy, then a separate-rate analysis is not necessary to determine whether it is independent from government control.¹⁴

Feili reported that it is a wholly owned by a market-economy entity. Therefore, consistent with the Department's practice, a separate-rates analysis is not necessary to determine

¹² See, e.g., *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People's Republic of China: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 75 FR 24892, 24899 (May 6, 2010).

¹³ *Id.*

¹⁴ See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles From the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

whether Feili's export activities are independent from government control, and we have preliminarily granted a separate rate to Feili.

Date of Sale

According to 19 CFR 351.401(i),

In identifying the date of sale of the subject merchandise or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer's records kept in the ordinary course of business. However, the Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.

See also Allied Tube and Conduit Corp. v. United States, 132 F. Supp. 2d 1087, 1090-1092 (CIT 2001) (upholding the Department's rebuttable presumption that invoice date is the appropriate date of sale). After examining the questionnaire responses and the sales documentation placed on the record by Feili, we preliminarily determine that invoice date is the most appropriate date of sale for Feili. Nothing on the record of this segment rebuts the presumption that invoice date should be the date of sale.

Normal Value Comparisons

To determine whether sales of folding metal tables and chairs to the United States by Feili were made at less than NV, we compared export price ("EP") to NV, as described in the "Export Price," and "Normal Value" sections of this notice, pursuant to section 771(35) of the Act.

Export Price

Because Feili sold subject merchandise to unaffiliated purchasers in the United States prior to importation into the United States or to unaffiliated resellers outside the United States with knowledge that the merchandise was destined for the United States, and use of a constructed

export price methodology is not otherwise indicated, we have used EP for Feili in accordance with section 772(a) of the Act.

We calculated EP based on the free-on-board or delivered price to unaffiliated purchasers for Feili. From this price, we deducted amounts for foreign inland freight and brokerage and handling, as applicable, pursuant to section 772(c)(2)(A) of the Act.¹⁵

The Department valued brokerage and handling using a price list of export procedures necessary to export a standardized cargo of goods in Thailand. The price list is compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods by ocean transport in India that is in *Doing Business 2011: Thailand*, published by the World Bank.¹⁶

Zero-Priced Transactions

In the final results of previous administrative reviews of folding metal tables and chairs, we included Feili's zero-priced transactions in the margin calculation because the record demonstrated that respondents provided the same merchandise in significant quantities, indicating that these "samples" did not primarily serve for evaluation or testing of the merchandise.¹⁷ Additionally, respondents provided "samples" to the same customers to whom they were selling the same products in commercial quantities.¹⁸ As a result, we concluded that

¹⁵ See Memorandum to The File entitled, "Analysis for the Preliminary Results of the 2010-2011 Administrative Review of Folding Metal Tables and Chairs from the People's Republic of China: Feili Group (Fujian) Co., Ltd. and Feili Furniture Development Limited Quanzhou City," at 3-4, dated concurrently with this notice ("Preliminary Analysis Memorandum").

¹⁶ See Prelim SV Memo at 5 and Preliminary Analysis Memorandum at 7-8.

¹⁷ See, e.g., *Folding Metal Tables and Chairs from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 71 FR 2905 (January 18, 2006), and accompanying Issues and Decision Memorandum at Comment 4; *Folding Metal Tables and Chairs from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 71 FR 71509 (December 11, 2006), and accompanying Issues and Decision Memorandum at Comment 4; and *Folding Metal Tables and Chairs from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 72 FR 71355 (December 17, 2007), and accompanying Issues and Decision Memorandum at Comments 10 and 11.

¹⁸ *Id.*

these transactions were not what we consider to be samples because respondents were providing these products to strengthen their customer relationships and to promote future sales.

With respect to zero-priced transactions, the Court of International Trade (“CIT”) in *NSK Ltd. v. United States* stated that it saw “little reason in supplying and re-supplying and yet re-supplying the same product to the same customer in order to solicit sales if the supplies are made in reasonably short periods of time,” and that “it would be even less logical to supply a sample to a client that has made a recent bulk purchase of the very item being sampled by the client.”¹⁹ Moreover, even where the Department does not ask a respondent for specific information to demonstrate that a transaction is a sample, the respondent has the burden of presenting the information in the first place to demonstrate that its transactions qualify for exclusion as a sample.²⁰

An analysis of Feili’s section C computer sales listings reveals that in some cases it provided zero-priced merchandise to customers to whom it was already selling the same products in commercial quantities, indicating that Feili was not providing this zero-priced merchandise for a customer’s evaluation and testing, with the hope of future sales. Consequently, based on the facts cited above, the guidance of past court decisions, and our previous decisions, we have not excluded these zero-priced transactions from the margin calculations for Feili for the preliminary results of this review. However, we found that, in some instances, Feili shipped merchandise to customers for the first time in non-commercial quantities. Therefore, we have treated these sales as samples for the preliminary results.²¹

¹⁹ See *NSK Ltd. v. United States*, 217 F. Supp. 2d 1291, 1311-1312 (CIT 2002).

²⁰ See *NTN Bearing Corp. of America. v. United States*, 997 F.2d 1453, 1458 (Fed. Cir. 1993).

²¹ See Preliminary Analysis Memorandum at 2-3.

Normal Value

Section 773(c)(1) of the Act provides that, in the case of an NME, the Department shall determine NV using an FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act.

The Department bases NV on FOPs because the presence of government controls on various aspects of NME economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. Therefore, in these preliminary results, we have calculated NV based on FOPs in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). The FOPs include: (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. In accordance with 19 CFR 351.408(c)(1), the Department normally uses publicly available information to value the FOPs. However, when a producer sources a meaningful amount of an input from a market-economy country and pays for it in market-economy currency, the Department may value the factor using the actual price paid for the input.²²

In accordance with the *OTCA 1988* legislative history, the Department continues to apply its long-standing practice of disregarding SVs if it has a reason to believe or suspect the source data may be subsidized.²³ In this regard, the Department has previously found that it is appropriate to disregard such prices from India, Indonesia, South Korea and Thailand because we have determined that these countries maintain broadly available, non-industry specific export

²² See 19 CFR 351.408(c)(1); see also *Lasko Metal Products v. United States*, 43 F.3d 1442, 1445-1446 (Fed. Cir. 1994) (affirming the Department's use of market-based prices to value certain FOPs).

²³ See Omnibus Trade and Competitiveness Act of 1988, Conf. Report to Accompany H.R. 3, H.R. Rep. No. 576, 100th Cong., 2nd Sess. (1988) ("*OTCA 1988*") at 590.

subsidies.²⁴ Based on the existence of these subsidy programs that were generally available to all exporters and producers in these countries at the time of the POR, the Department finds that it is reasonable to infer that all exporters from India, Indonesia, South Korea and Thailand may have benefitted from these subsidies.

Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on the FOPs reported by Feili during the POR. To calculate NV, we multiplied the reported per-unit factor quantities by publicly available Thai surrogate values (except as noted below). In selecting the SVs, we considered the quality, specificity, public availability, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to render them delivered prices. Specifically, we added to Thai import SVs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where appropriate (*i.e.*, where the sales terms for the market-economy inputs were not delivered to the factory). This adjustment is in accordance with the decision of the CAFC in *Sigma Corp. v. United States*, 117 F. 3d 1401, 1408 (Fed. Cir. 1997). For a detailed description of all SVs used for Feili, *see* the Surrogate Value Memorandum.

For the preliminary results, except where noted below, we used data from the Thai Import Statistics in the Global Trade Atlas (“GTA”) and other publicly available Thai sources in order to calculate SVs for Feili’s FOPs (*i.e.*, direct materials, energy, and packing materials) and

²⁴ See, *e.g.*, *Expedited Sunset Review of the Countervailing Duty Order on Carbazole Violet Pigment 23 from India*, 75 FR 13257 (March 19, 2010) and accompanying Issues and Decision Memorandum at pages 4-5; *Expedited Sunset Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon Quality Steel Plate from Indonesia*, 70 FR 45692 (August 8, 2005) and accompanying Issues and Decision Memorandum at 4; See also *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009) and accompanying Issues and Decision Memorandum at 17, 19-20; See also *Certain Hot-Rolled Carbon Steel Flat Products from Thailand: Final Results of Countervailing Duty Determination*, 66 FR 50410 (October 3, 2001), and accompanying Issues and Decision Memorandum at 23.

certain movement expenses. As Thailand is the primary surrogate country, we used Thai data. In selecting the best available information for valuing FOPs in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, SVs which are non-export average values, most contemporaneous with the POR, product-specific, and tax-exclusive.²⁵ The record shows that data in the Thai Import Statistics are contemporaneous with the POR, product-specific, and tax-exclusive.²⁶ In those instances where we could not obtain publicly available information contemporaneous to the POR with which to value factors, we adjusted the SVs using, where appropriate, the Thai Consumer Price Index ("CPI") as published in the IMF's *International Financial Statistics*.²⁷

Feili reported purchases of raw materials produced in market-economy countries, sourced from market-economy suppliers and paid for in a market-economy currency during the POR. In accordance with our practice outlined in *Antidumping Methodologies: Market Economy Inputs*,²⁸ when at least 33 percent of an input is sourced from market-economy suppliers and purchased in a market-economy currency, the Department will use actual market-economy purchase prices to value these inputs.²⁹ Where the quantity of the reported input purchased from ME suppliers is below 33 percent of the total volume of the input purchased from all sources during the POI, and were otherwise valid, we weight-average the ME input's purchase price with the appropriate SV

²⁵ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

²⁶ See Prelim SV Memo at 2-3.

²⁷ See, e.g., *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 74 FR 9591, 9600 (March 5, 2009), unchanged in *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Determination of Sales at Less than Fair Value*, 74 FR 36656 (July 24, 2009).

²⁸ See *Antidumping Methodologies: Market Economy Inputs, Expected Non-Market Economy Wages, Duty Drawback; and Request for Comments*, 71 FR 61716, 61717-19 (October 19, 2006) ("*Antidumping Methodologies: Market Economy Inputs*").

²⁹ For a detailed description of all actual values used for market-economy inputs, see Preliminary Analysis Memorandum at 7.

for the input according to their respective shares of the reported total volume of purchases.³⁰

Therefore, the Department has valued certain inputs using the market-economy purchase prices reported by Feili, where appropriate.

On June 21, 2011, the Department revised its methodology for valuing the labor input in NME antidumping proceedings.³¹ In *Labor Methodologies*, the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Additionally, the Department determined that the best data source for industry-specific labor rates is Chapter 6A: Labor Cost in Manufacturing, from the International Labor Organization (ILO) Yearbook of Labor Statistics (“Yearbook”).

In these preliminary results, the Department has calculated the labor input using the wage method described in *Labor Methodologies*. To value the respondent’s labor input, the Department relied on data reported by Thailand to the ILO in Chapter 6A of the Yearbook. Although the Department further finds the two-digit description under ISIC-Revision 3 (“Manufacture of furniture; manufacture of n.e.c”) to be the best available information on the record because it is specific to the industry being examined, and is therefore derived from industries that produce comparable merchandise, Thailand has not reported data specific to the two-digit description since 2000. However, Thailand did report total manufacturing wage data in 2005. Accordingly, relying on Chapter 6A of the Yearbook, the Department calculated the labor input using total labor data reported by Thailand to the ILO, in accordance with section 773(c)(4) of the Act. For these preliminary results, the calculated industry-specific wage rate is 134.92 Baht/hour. A more detailed description of the wage rate calculation methodology is provided in

³⁰ See *Antidumping Methodologies: Market Economy Inputs*, 71 FR at 61718.

³¹ See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) (“*Labor Methodologies*”).

the Surrogate Value Memorandum at page 5.

As stated above, the Department used Thailand ILO data reported under Chapter 6A of Yearbook, which reflects all costs related to labor, including wages, benefits, housing, training, etc. Additionally, where the financial statements used to calculate the surrogate financial ratios include itemized detail of labor costs, the Department made adjustments to certain labor costs in the surrogate financial ratios.³²

We used Thai transport information in order to value the freight-in cost of the raw materials. To value inland truck freight, we obtained 1) August 2005 price data from the Thailand Board of Investment's 2006 publication, Costs of Doing Business in Thailand, and 2) distances from Google Maps, at <http://maps.google.com>. The Department calculated the per-kilometer price to transport one kg from Bangkok to five cities in Thailand. We inflated this value to the POR.

To value diesel, we used a per-liter value obtained from Thailand Board of Investment's webpage at http://www.boi.go.th/index.php?page=transportation_costs_including_fuel_and_freight_rates, effective August 30, 2011. We converted the source value in liters into the unit of measure reported by Feili and made adjustments to account for deflation.

To value electricity, we used the average price of Thai power suppliers, as published by Electricity Generating Authority of Thailand in "2010 Annual Report: Key Statistical Data." We did not inflate this value because utility rates represent current rates, as indicated by the effective

³² See *Labor Methodologies*, 76 FR at 36093.

dates listed for each of the rates provided.³³ We valued water using data from Thailand's Board of Investment.³⁴ This source provides water rates for industrial users that are VAT exclusive.

For factory overhead, selling, general, and administrative expenses ("SG&A"), and profit values, we used the financial statements of Siam. We have not used the other two Thai financial statements on the record of this review because one is not contemporaneous to the POR, and the other does not provide sufficient detail for calculation of surrogate financial ratios. We find that Siam is the best available information with which to determine factory overhead as a percentage of the total raw materials, labor and energy ("ML&E") costs; SG&A as a percentage of ML&E plus overhead (*i.e.*, cost of manufacture); and the profit rate as a percentage of the cost of manufacture plus SG&A.

For packing materials, we used the per-kilogram values obtained from the GTA and made adjustments to account for freight costs incurred between the PRC supplier and Feili's plants.³⁵

Currency Conversion

We made currency conversions into U.S. dollars, where appropriate, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank.

Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margin exists:

Exporter	Margin (Percent)
Feili Group (Fujian) Co., Ltd./Feili Furniture Development Limited Quanzhou City	36.45

³³ See Prelim SV Memo at 5 and Attachment VI.

³⁴ See Prelim SV Memo at 4 and Attachment VIII.

³⁵ See Prelim SV Memo.

Disclosure

We will disclose the calculations used in our analysis to parties to this proceeding within five days of the publication date of this notice.³⁶ Interested parties are invited to comment on the preliminary results and may submit case briefs and/or written comments within 30 days of the date of publication of this notice.³⁷ Interested parties may file rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, no later than five days after the date on which the case briefs are due.³⁸ The Department requests that parties submitting written comments provide an executive summary and a table of authorities as well as an additional copy of those comments electronically.

Any interested party may request a hearing within 30 days of publication of this notice.³⁹ If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.⁴⁰ The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

Deadline for Submission of Publicly Available Surrogate Value Information

In accordance with 19 CFR 351.301(c)(3)(ii), the deadline for submission of publicly available information to value FOPs under 19 CFR 351.408(c) is 20 days after the date of publication of the preliminary results. In accordance with 19 CFR 351.301(c)(1), if an interested

³⁶ See 19 CFR 351.224(b).

³⁷ See 19 CFR 351.309(c).

³⁸ See 19 CFR 351.309(d).

³⁹ See 19 CFR 351.310(c).

⁴⁰ See 19 CFR 351.310(d).

party submits factual information less than ten days before, on, or after (if the Department has extended the deadline), the applicable deadline for submission of such factual information, an interested party has ten days to submit factual information to rebut, clarify, or correct the factual information no later than ten days after such factual information is served on the interested party. However, the Department generally will not accept in the rebuttal submission additional or alternative SV information not previously on the record, if the deadline for submission of SV information has passed.⁴¹ Furthermore, the Department generally will not accept business proprietary information in either the SV submissions or the rebuttals thereto, as the regulation regarding the submission of SVs allows only for the submission of publicly available information.⁴²

Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by the review. The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of the review. In accordance with 19 CFR 351.212(b)(1), we calculated exporter/importer (or customer)-specific assessment rates for the merchandise subject to the review.

Where the respondent reports reliable entered values, we calculate importer (or customer)-specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer).⁴³ Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis*, we will apply the assessment rate to the entered value of the

⁴¹ See, e.g., *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in Part*, 72 FR 58809 (October 17, 2007), and accompanying Issues and Decision Memorandum at Comment 2.

⁴² See 19 CFR 351.301(c)(3).

⁴³ See 19 CFR 351.212(b)(1).

importers'/customers' entries during the POR.⁴⁴ Where we do not have entered values for all U.S. sales, we calculate a per-unit assessment rate by aggregating the antidumping duties due for all U.S. sales to each importer (or customer) and dividing this amount by the total quantity sold to that importer (or customer).

To determine whether the duty assessment rates are *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer (or customer)-specific *ad valorem* ratios based on the estimated entered value. Where an importer (or customer)-specific *ad valorem* rate is zero or *de minimis*, we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.⁴⁵

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of the administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for Feili, the cash deposit rate will be the company-specific rate established in the final results of the review (except, if the rate is zero or *de minimis*, no cash deposit will be required); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 70.71 percent; and (4) for all non-PRC exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to the PRC

⁴⁴ See 19 CFR 351.212(b)(1).

⁴⁵ See 19 CFR 351.106(c)(2).

exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration

__March 1, 2012__
(Date)

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